



## Missouri Department of Natural Resources Division of Energy

### MISSOURI ENERGY BULLETIN

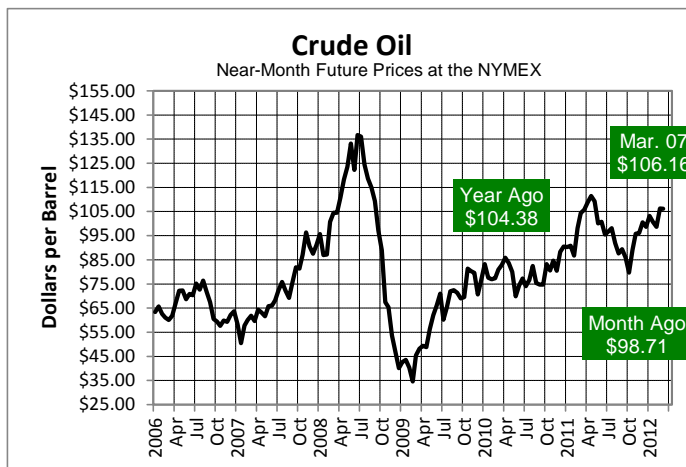
March 12, 2012

#### Crude Oil

**U.S. crude oil prices increased \$7.45 to \$106.16 per barrel in the past month and stand 2 percent higher than at this time last year.**

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>03-07-12</u>	<u>02-08-12</u>	<u>change</u>	<u>03-09-11</u>	<u>change</u>
<b>NYMEX</b>	<b>\$106.16</b>	<b>\$98.71</b>	<b>up 8%</b>	<b>\$104.38</b>	<b>up 2%</b>

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Apr. delivery ended \$1.46 higher Mar. 7 to close at \$106.18 per barrel, as more investors signed on to a Greek debt swap, reducing concern that the country will default and bolstering optimism that the European economy may rebound. Crude prices are now 2 percent higher compared to the same period last year.
- U.S. oil inventories grew by 0.8 million barrels (MMB) for the week ending Mar. 2. Futures have been pressured higher on tensions in the Middle East as Israel and the US consider options, including military actions, against Iran to prevent the proliferation of nuclear armament. The European Union offered to negotiate with Iran on behalf of China, France, Germany, Russia, the UK and the US, after President Obama called for more time to let diplomacy and sanctions solve the standoff. Sanctions may be cutting Iranian oil exports as vessels cancel trips to the country. Shipments have declined by 400,000 barrels per day because of the restrictions. Half of the international tankers booked to load at the Iran's largest terminal last month didn't complete the voyages.
- Futures climbed as high as \$110 per barrel in the past week, but tapered slightly before regaining traction this week.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$106.16 is \$1.78, or 2 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending Mar. 2 averaged 18.3 MMB/D, down 6.1 percent compared to the similar period last year.
- According to the Mar. 7 Energy Information Administration (EIA)

weekly fuels report, U.S. oil inventories increased 1.6 MMB at 345.7 MMB for the week ending Mar. 2. U.S. crude supplies are now 3.2 MMB lower than at this time last year.

- Crude imports for the week ending Mar. 2 were 8.7 MMB/D, down nearly 0.5 MMB from the prior week. Imports at this time last year averaged 8.3 MMB/D. Crude oil inventories represent 23.5 days of forward cover compared to 25.3 days at this time last year.
- U.S. refinery crude runs were up 43,000 barrels per day with refiners processing 14.9 MMB/D of crude for the week ending Mar. 2. U.S. refinery capacity use was 83.9 percent, up 0.2 percent from the prior week and up 1.9 percent compared to this time last year.
- Gasoline output was down at 8.6 MMB/D on the week as refiners continue to balance between winter gasoline blend production and the continued softness in consumer demand compared to last year. Gasoline output was down 0.4 MMB/D compared to last year at this time. Distillate output decreased at 4.2 MMB/D for the week ending Mar. 2 and stand 0.15 MMB/D higher compared to the production level at this time last year.

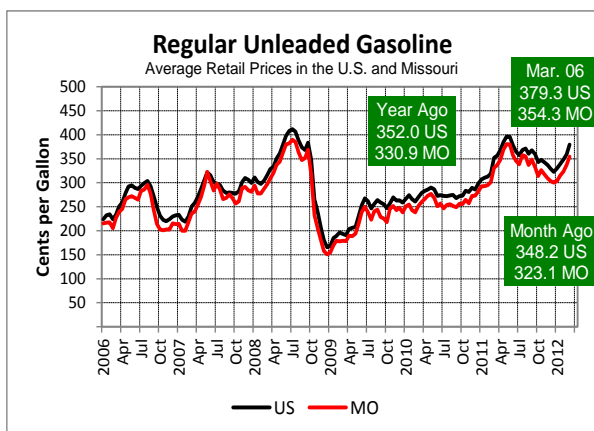
## Transportation Fuels

**On Mar. 6, Missouri's statewide average retail price for gasoline was \$3.54 per gallon, up 31.2 cents or 7 percent in the past month.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>03-06-12</u>	<u>02-06-12</u>	<u>change</u>	<u>03-07-11</u>	<u>change</u>
US	379.3	348.2	up 9%	352.0	up 8%
Missouri	354.3	323.1	up 10%	330.9	up 7%

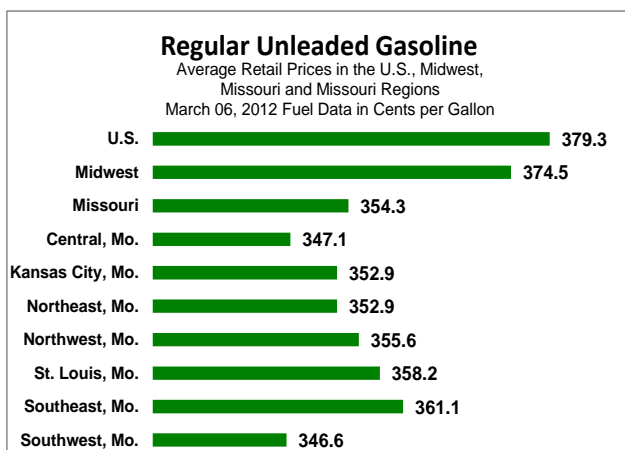
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>03-06-12</u>	<u>02-06-12</u>	<u>change</u>	<u>03-07-11</u>	<u>change</u>
US	379.3	385.6	down 2%	387.1	down 2%
Missouri	387.3	364.9	up 6%	371.0	up 4%

- On Mar. 6, Missouri's average retail price for gasoline was \$3.54, an increase of 31.2 cents in the past month. The average price for diesel fuel was up by about 22.4 cents in the past month. Missouri's average retail gasoline price is \$0.23 or 7 percent higher, while the average diesel fuel price is \$0.16, or 4 percent, higher for the comparable period in Mar. 2011.



- The U.S. average price for regular gasoline was up by 31 cents per gallon, or 9 percent compared to last month at \$3.79 per gallon. The U.S. average was about \$0.27 or 8 percent higher compared to this time last year. In the past week, the U.S. average increased by about 7 cents per gallon.
- Gasoline imports decreased to 0.6 MMB/D for the week ending Mar. 2; about 23,000 barrels per day lower compared to the prior

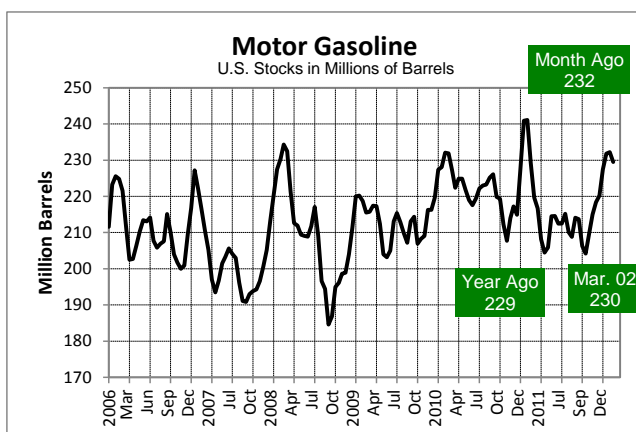
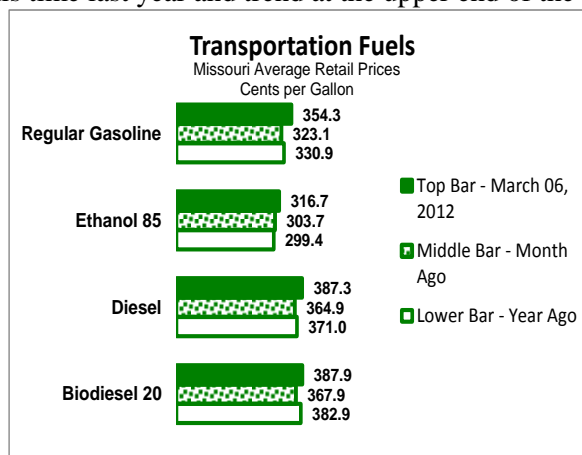
week and 186,000 barrels per day lower than last year at this time.



27.5 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are up 0.3 MMB compared to this time last year and trend at the upper end of the five-year average for this time of year.

- Distillate stocks decreased 1.9 MMB at 139.5 MMB and stand 15.7 MMB lower compared to the same period last year. Distillate demand was down at 3.5 MMB/D for the week ending Mar. 2 and down 661,000 barrels per day compared to the same period last year. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down 128,000 barrels per day. On a four-week average, distillate demand was down 296,000 barrels per day compared to the same period last year at 3.6 MMB/D.

- Implied demand for gasoline decreased the week ending Mar. 2 at 8.3 MMB/D, down by 101,000 barrels per day from the prior week and nearly 1.0 MMB/D lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.4 MMB/D, 711,000 barrels per day lower compared to the same 4-week period last year, the lowest since March 2001.
- U.S. gasoline supplies decreased 0.4 MMB at 229.5 MMB for the week ending Mar. 2. Gasoline inventories represent



- On Mar. 5, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.17 per gallon, 37 cents or about 10 percent lower than the average price for conventional motor gasoline.
- On Mar. 5, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.88 per gallon, 1 cent or less than 1 percent, higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's Mar. 6, 2012 *Short Term Energy Outlook*, regular-grade motor gasoline retail prices are estimated to average \$3.79 per gallon in 2012, compared with \$3.53 cents per gallon last year. During the April through September peak driving season, prices are forecast to average about \$3.92 cents per gallon and peak at \$3.96 in May.

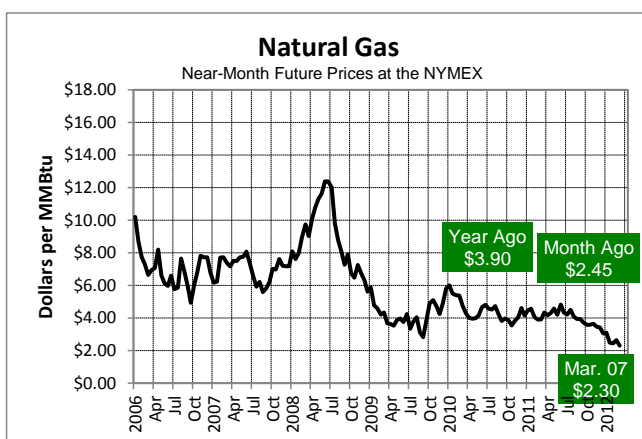
## Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On Mar. 7, natural gas futures closed at \$2.30 per million British thermal units (MMBtu), down 15 cents from a month ago and down \$1.60 compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	03-07-12	02-08-12	change	03-09-11	change
NYMEX	\$2.30	\$2.45	down 6%	\$3.90	down 41%

- Natural gas futures for April delivery decreased \$0.15 in the past month to a final closing price of \$2.30 per MMBtu on Mar. 7.



- At the NYMEX, the April 2012 contract during the trading week fell about 31.4 cents to close at \$2.30 per MMBtu on Mar. 7.
- The April 2012 contract decreased on a combination of warmer temperatures and declining demand. Domestic natural gas consumption fell by 3.2 percent for the week ending March 7. The residential/commercial sector decreased the most with a 5.4 percent decline, while the industrial sector declined by 2.0 percent, and the power sector ended

the week with a 0.8 percent decline.

- Working gas in storage as of Mar. 2 totaled 2,433 billion cubic feet (Bcf), 48.3 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 739 Bcf or 43.6 percent higher than last year at this time.
- According to EIA's *Short Term Energy Outlook* released Mar. 6, 2012, Midwest households that heat with natural gas may realize a fall in natural gas expenditures by 15.8 percent to \$658 for the heating season based on a reduction in consumption of approximately 13 percent and a reduction in price of about 3 percent. March marks the end of the traditional heating season for the U.S.

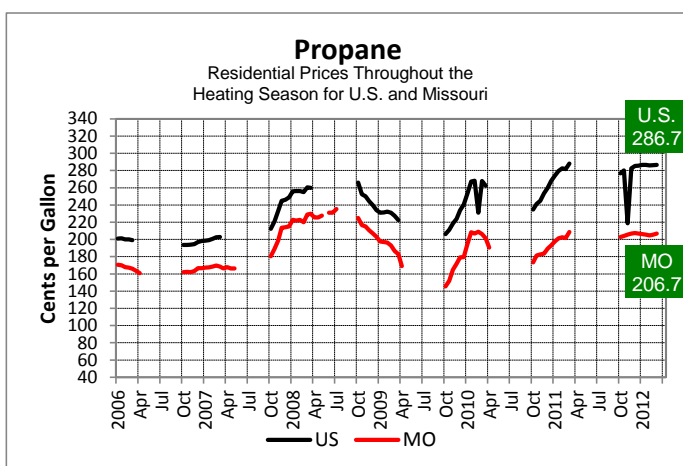
## Propane

Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**On Mar. 6, the average Missouri retail price for residential propane was about \$2.07 per gallon, up 2 cents in the past month and 1 percent lower compared to last year at this time.**

Propane - Retail Prices (cents per gallon)					
	<u>03-06-12</u>	<u>02-06-12</u>	<u>change</u>	<u>03-07-11</u>	<u>change</u>
Missouri	206.7	204.7	up 1%	208.6	down 1%

- According to the Division of Energy's statewide propane price survey conducted Mar. 6, Missouri retail residential propane prices were up 2 cents or about 1 percent from last month and stand 1.9 cents per gallon or 1 percent lower than last year at this time.



- According to the survey, the highest Missouri retail residential price for propane was nearly \$3.00 per gallon while the lowest retail price was about \$1.70 per gallon.
- For the week ending Mar. 2, U.S. inventories of propane decreased 0.4 MMB to end at 43.5 MMB. Propane inventories are now 16.4 MMB higher compared to the same period last year. Implied demand for propane decreased 56,000 barrels per day at 1.3 MMB/D for the week

ending Mar. 2 and up 88,000 barrels per day compared to the demand level for this time last year.

- For the week ending Mar. 2, Midwest propane inventories decreased about 0.35 MMB. At 16.9 MMB, Midwest inventories are 7.7 MMB or about 84 percent higher than the 9.2 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook* released Mar. 6, 2012, Midwest households that heat with propane may realize a decrease in propane expenditures by 8.7 percent at \$1,658 for the heating season based on a reduction in consumption of approximately nearly 13 percent. March marks the end of the traditional heating season for the U.S.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: [energy@dnr.mo.gov](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)